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11
12 **UNITED STATES DISTRICT COURT**
13 **SOUTHERN DISTRICT OF CALIFORNIA**
14

15 JENS ERIK SORENSEN, As Trustee of
16 SORENSEN RESEARCH AND
DEVELOPMENT TRUST,

17 Plaintiff,

18 v.

19 SENCO PRODUCTS, INC., an Ohio corporation;
20 and DOES 1-100

21 Defendants.
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CASE NO. 3:08-cv-00071-BTM-CAB

**SENCO PRODUCTS, INC.'S OPPOSITION
TO PLAINTIFF'S MOTION FOR
EXCEPTION TO STAY TO PRESERVE
EVIDENCE**

Date: August 8, 2008

Time: 11:00 a.m.

Courtroom: 15

Hon. Barry Ted Moskowitz

**NO ORAL ARGUMENT UNLESS REQUESTED
BY THE COURT**

I. INTRODUCTION

Sorensen Research and Development Trust's ("SRDT") motion for an exception to the stay to preserve evidence is both unwarranted and premature. This Court's order staying this case provides that "any party may apply to the Court for an exception to the stay if it has specific, valid reasons to believe that it needs to obtain discovery in order to preserve evidence that will otherwise be unavailable after the stay." SRDT's motion for a limited exception to stay has not provided any specific, valid reasons for lifting the stay. Instead, SRDT rushed to file this motion in an attempt to run up Senco's costs and expenses as much as possible while its suspect patent is being reexamined based on approximately 20 substantial new questions of patentability.

SRDT's "run up the cost" strategy is exemplified by its refusal to identify the specific evidence that it seeks to have third parties preserve. Indeed, so that there would be no confusion or misunderstanding, after receiving SRDT's request to have third parties preserve evidence, Senco sought an identification as to what specific evidence should be preserved. Instead of identifying what evidence should be preserved, SRDT filed this instant motion. Certainly SRDT could have first identified what evidence it seeks to have preserved before rushing to file this motion.

Moreover, while the SRDT claims that it has received "contradictory information" about where and how the sole accused Senco product is manufactured, nothing could be further from the truth. SRDT was advised all along that the accused Senco Collated Screw Driver is manufactured in China by Techtronic Industries Co. Ltd., but rejected that information because it originated from Chinese nationals and Chinese companies instead of U.S. citizens and U.S. companies. Remarkably, SRDT now seeks to take discovery of Chinese nationals and companies that it rejected as inappropriate.

SRDT's motion should be denied, or in the alternative, SRDT's "running up the cost strategy" should not be permitted and SRDT should be required to pay defendants' attorney fees and costs associated with any third party discovery.

II. SRDT'S MOTION IS PREMATURE AND DESIGNED TO INCREASE COSTS

On May 6, 2008, SRDT sent a letter to Senco requesting that certain information and things be preserved and requested a response on May 27, 2008 (Mallin decl., Ex. 1). On May 27, 2008, SRDT was advised that the Senco would preserve information and things in its possession, custody and control

1 as required by the Federal Rules of Civil Procedure and applicable case law (Mallin decl., Ex. 2).
 2 Indeed, as a litigant, Senco instituted an appropriate litigation hold on documents and things that might
 3 be relevant to this lawsuit.

4 On June 3, 2008, SRDT sent another letter requesting assurances that *third parties* are preserving
 5 information and demanded a response by June 13, 2008 (Mallin decl., Ex. 3). On Friday, June 6, 2008,
 6 only 3 days after receiving the request and 7 days before SRDT's demanded response, Senco requested a
 7 clarification and a specific identification as to what information SRDT wanted to be preserved (Mallin
 8 decl., Ex. 4). This request for a clarification and identification was necessary so that there would be no
 9 confusion as to what SRDT wanted preserved by the third parties and no dispute in the future should
 10 SRDT attempt to argue that third party information was destroyed even though third parties agreed to
 11 preserve information. For example, SRDT apparently wants third parties to preserve "all design and
 12 technical documents for the Accused Products." The potential scope of this request is limitless and
 13 certainly includes information and things that have no bearing on this case at all. What is SRDT really
 14 seeking to have preserved? Likewise, SRDT wants third parties to commit to preserving "all prototype
 15 and production molds used in the production of the Accused Products." Which molds of the many
 16 components used in the Senco Collated Screw Driver?¹ However, SRDT provided no response
 17 whatsoever, and instead of identifying and clarifying what information SRDT wants the third parties to
 18 preserve, on Monday, June 9, 2008, SRDT filed this motion for a limited exception to the stay.²

19 SRDT's apparent strategy in filing this motion is to increase the Senco's cost while a stay is in
 20 place, and to burden the Court with unnecessary motions. Indeed, if it were not, then SRDT would have
 21 provided a clarification and listing of the information that it wanted third parties to preserve.
 22 Presumably, as the party making the request, SRDT could easily provide such a list, but it did not.
 23 SRDT's "running up the cost" strategy should not be rewarded and its motion should be denied. In view
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25 ¹ According to SRDT, "prototype" and "production" molds apparently are both used in "production of the Accused
 26 Products." However, there must be some difference between these types of molds since SRDT distinguished them. What is
 27 that difference and what molds does SRDT want preserved?

28 ² SRDT also disingenuously represented that "Defendants have failed to agree" (SRDT Memo at 2). Senco's request for
 clarification could hardly be characterized as a "failure" to do anything.

1 of SRDT's failure to even attempt to clarify and identify what information it seeks to have preserved,
 2 SRDT cannot credibly set forth any specific valid reasons for lifting the stay.

3 However, if the Court is inclined to a limited lift of the stay, then SRDT should be required to
 4 pay all of Senco's costs associated with lifting the stay and any third party discovery.

5 **III. SRDT REJECTED THE VERY EVIDENCE IT NOW REQUESTS**

6 SRDT's "running up the cost strategy" is further evidenced by its past rejections of the very
 7 same type of information it seeks here. Significantly, SRDT's request to take third party discovery of
 8 suppliers in China is remarkable in view of the fact that on several occasions, SRDT was offered and
 9 provided information about the process used to manufacture the housings for the Accused Products, but
 10 refused to accept the information because it did not come from a U.S. citizen and a U.S. company.
 11 SRDT was first offered such information approximately two years ago when SRDT was offered an
 12 affidavit about the process used to produce the overmold housings. The offer explained that the
 13 declaration would be based on an investigation conducted by a company in Hong Kong where the
 14 people with the most knowledge about the process are located (Mallin decl., Ex. 5). SRDT rejected that
 15 proposal and instead, while having knowledge that the people with the best knowledge about the process
 16 were located in Hong Kong or in China, insisted that any declaration be from a U.S. representative of a
 17 U.S. company. Apparently, SRDT was not concerned about "preserving" any evidence and information
 18 when it refused to accept information from China two years ago.

19 More recently, in November 2007, SRDT was offered a declaration from a Chinese or Hong
 20 Kong national about the overmold process used to manufacture the housings for the accused Senco
 21 Collated Screw Driver (Mallin decl., Ex. 6). SRDT's counsel rejected that offer alleging that such
 22 declarations would not be admissible and could not be used in U.S. Courts³ (Mallin decl., Ex. 6).
 23 However, as SRDT was advised in a letter dated November 30, 2007, 28 USC § 1746 specifically
 24 provides for the use of declarations executed outside the United States and pursuant to 28 USC § 1746,
 25 courts do and have accepted declarations from persons located in both Hong Kong and China (Mallin
 26 decl., Ex. 6). For example, in *Commodity Futures Trading Comm'n v. Topworth Int'l Ltd.*, 205 F.3d
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28 ³ SRDT's counsel went as far to allege that Chinese nationals cannot testify in U.S. Courts (Mallin decl., Ex. 6).

1 1107, 1112 (9th Cir. 2000), the district court rejected a declaration of Mr. Yu from Hong Kong because it
 2 allegedly did not meet the requirements of 28 USC § 1746. The Ninth Circuit held that that the district
 3 court's rejection was improper as it did comply with § 1746, and made Mr. Yu's declaration part of the
 4 record. Likewise, in *American Home Assurance Co. v. Zim Jamaica*, 296 F. Supp.2d 494, 496-99
 5 (S.D.N.Y. 2003), the court accepted declarations from Assad Najm, the manager of a company in
 6 Guangzhou, China and Lao Xiji, a truck driver who delivered cargo from Guangzhou to the Port of
 7 China as part of a motion for summary judgment. This legal authority was expressly brought to the
 8 attention of SRDT's counsel (Mallin decl., Ex. 6). Not surprisingly, SRDT never responded to this
 9 portion of the letter.

10 Most recently, in January 2008, SRDT was provided with a declaration from Mr. William Chen,
 11 the tooling manager at Techtronic Industries Co. Ltd ("TTI") (Mallin decl., Ex. 7). Mr. Chen's
 12 declaration sets forth the details of the overmold process used for the housings on the accused Senco
 13 Collated Screw Driver for the past six years (Mallin decl., Ex. 7). However, because this declaration
 14 makes clear that the process used is plainly outside the scope of the patent claims, SRDT's counsel
 15 rejected it. SRDT's counsel's purported reason for rejecting the declaration was that based on its "prior
 16 extensive research into the issue of admissibility of declarations from Chinese nationals and general
 17 requirements in the Federal Rules of Evidence," SRDT's counsel concluded that the declaration "does
 18 not rise to the level of admissible evidence" (Mallin decl., Ex. 8). Not surprisingly, SRDT's rejection of
 19 the Chen declaration did not address the court decisions in *Commodity Futures Trading Comm'n v.*
 20 *Topworth Int'l Ltd.*, 205 F.3d 1107, 1112 (9th Cir. 2000) and *American Home Assurance Co. v. Zim*
 21 *Jamaica*, 296 F. Supp.2d 494, 496-99 (S.D.N.Y. 2003), and the results of SRDT's "extensive research"
 22 were not disclosed.⁴ Likewise, SRDT has not disclosed its "extensive research" in the instant motion.

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 26 ⁴ The only case relied upon by SRDT was *United States v. Oudevenko*, 2001 WL 253027 (E.D. N.Y. Mar. 7, 2001) (Mallin
 27 decl., Ex. 6). That case however, is not on point or even applicable here. In *Oudevenko*, the defendant was prohibited from
 28 using depositions as a substitute for testimony at a criminal trial. The court held that the defendant did not meet the
 "exceptional circumstances" requirement of Rule 15(a) of the Federal Rules of Criminal Procedure. The Rules of Criminal

1 In view of SRDT's rejection for the past 2 years of the very information it now seeks, SRDT's
 2 claim that lifting the limited stay to preserve that information is not persuasive, and the motion should be
 3 denied.⁵

4 IV. CONCLUSION

5 SRDT has not set forth even a single specific, valid reason for a limited exception to the stay.
 6 SRDT's present motion is instead consistent with its strategy to run up Senco's costs and expenses in an
 7 attempt to obtain a settlement. SRDT should not be rewarded for its strategy and the motion should be
 8 denied. In the alternative, if the limited stay is lifted, then SRDT should be required to pay all costs and
 9 expenses incurred by defendants in connection with all of the discovery being sought.

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 12 Date: August 6, 2008

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 15 Kristina M. Pfeifer
 16 Attorneys for Defendant
 17 SENCO PRODUCTS, INC.

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 24 Procedure have nothing to do with this situation and have no bearing on a civil proceeding.

25 ⁵ SRDT's claim that it has received "contradictory information" about "where and how the Accused Products are
 26 manufactured" is untrue. SRDT has been advised all along that the Accused Products are manufactured by Techtronic
 27 Industries Co. Ltd. ("TTI"), although TTI contracts out the production of some of its many components. Indeed, the
 28 declaration of Mr. Chen verifies this fact (Mallin decl., Ex. 7). Additionally, SRDT's reliance on the deposition testimony of
 Robert A. Bugos provides no support for this motion. That testimony was taken in a products liability lawsuit involving a
 Ridgid-branded miter saw that is *not* an Accused Product in this case (Mallin decl., Ex. 9, p. 8). Indeed, the *only* Accused
 Product in this case is the Senco Collated Screw Driver. In any event, consistent with Mr. Chen's declaration, Mr. Bugos
 made clear that Ridgid-branded products are manufactured by or for TTI (Mallin decl., Ex. 9, pp. 7, 18, 19, 22).

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